SiteMinder Limited and its controlled entities
Appendix 4D
Half-year report

SiteMinder

1. Company details

Name of entity:	SiteMinder Limited
ABN:	59 121 931 744
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	30.4%	to	71,722
Loss from ordinary activities after tax	down	70.7%	to	(25,527)
Loss for the half-year	down	70.7%	to	(25,527)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $25,527,000 (31 December 2021: loss of $87,035,000).

Refer to the review of operations in the Directors' report for further commentary on the Group's results for the reporting period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	16.98	35.29

The net tangible assets per ordinary security presented above is exclusive of right-of-use assets and lease liabilities.

4. Control gained over entities

Name of entities (or group of entities)	GuestJoy OÜ
Date control gained	30 September 2022

	$'000
Contribution of such entities to the reporting entity's loss from ordinary activities before income tax during the period (where material)	(59)
Loss from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	(86)

5. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim report for the half-year ended.

7. Attachments

Details of attachments (if any):

The Interim report for SiteMinder Limited for the half-year ended 31 December 2022 is attached.

8. Signed

As authorised by the Board of Directors

Pat O'Sullivan
Chairman

Sankar Narayan
Managing Director and Chief Executive Officer

22 February 2023
Sydney

SiteMinder

SiteMinder Limited and its controlled entities

ABN 59 121 931 744

Interim report for the half-year ended - 31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of SiteMinder Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of SiteMinder Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Pat O'Sullivan	Non-Executive Chairman
Sankar Narayan	Managing Director and Chief Executive Officer
Jennifer Macdonald	Non-Executive Director
Kim Anderson	Non-Executive Director
Paul Wilson	Non-Executive Director
Leslie Szekely	Non-Executive Director
Dean A. Stoecker	Non-Executive Director (appointed on 15 September 2022)
Michael Ford	Non-Executive Director (retired on 14 February 2023)

Principal activities

SiteMinder's hotel commerce platform encompasses solutions in the spaces of direct and third-party distribution, analytics and market insights, guest communication and upselling, property management, payments, and website design and creation. SiteMinder's solutions are designed to support accommodation providers of all types and sizes in managing every stage of their customers' journey.

During the financial half-year, the Group's principal activities consisted of the development, sales and marketing of its online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service ('SaaS') subscription model.

No significant change in the nature of these activities occurred during the financial half-year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to $25,527,000 (31 December 2021: $87,035,000).

Business overview

SiteMinder is the world's leading open hotel commerce platform based on size, distribution, and connectivity. The Group's innovative online platform offers hotels and accommodation providers key tools to grow reservations through direct customer acquisition as well as via established global and regional travel channels, increase revenue generating opportunities, get insights on their performance, and eliminate costly manual processes.

SiteMinder is a global business with the largest footprint of its direct competitors. The Group serves 36,600 properties of all sizes in over 150 countries, employs staff in over 20 countries across 6 global sales hubs and 7 offices and remote working locations, and offers a multilingual platform in 8 languages. Over the last 12 months the Group facilitated over 100 million bookings with a value in excess of $55 billion.

Growth strategy

The Group's growth strategy is centred around the deployment of its hotel commerce platform and Little Hotelier, an all in one solution for smaller properties. The Group will focus on continued organic growth with strong unit economics underpinned by multiple levers including property growth, subscription upsell, transaction products, and targeted mergers and acquisitions to complement platform capabilities.

- **Property growth**: With a total addressable market of over 1 million hotel properties globally, the Group believes there is a significant opportunity for growth by expanding its current property base of 36,600 properties. The Group aims to grow its property base by investing in its product offering so it can better target various market segments, and also in its multichannel go-to-market engine in terms of both capacity and capability.

  During the last 12 months, the Group launched its next generation Platform. The Platform integrates all of the Group's products to deliver an improved user interface, customer experience, and enhanced capabilities. In addition, the Group continues to make progress in rolling out its digital sales and on-boarding capabilities starting with Little Hotelier Basics ('LH Basics') in June 2022 and more recently the broader Little Hotelier ecosystem. The option to on-board digitally and unassisted makes the Group's products more attractive by making their implementation less disruptive to accommodation providers. It is the Group's intention to make digital sales and on-boarding available where we believe it will deliver superior customer outcomes.

- **Subscription upsell**: The Group is focused on growing revenue per property by offering premium bundle plans which provide full platform functionality to properties, and offering broader solutions to the enterprise segment.

- **Transaction products**: The SiteMinder Pay, Demand Plus, and GDS products are of significant strategic value as they embed the Group within the exchange of funds process of its customers, further integrate the Group into the traveller booking experience, and provide an avenue to earn commission income on a portion of the gross booking value flowing through the Group's systems, which exceeded $55 billion over the last 12 months.

  The Group aims to grow the revenue it generates from its transaction products by increasing customer uptake, investing in the product's capabilities to improve their effectiveness, and leveraging the long-term growth trend in travel activity.

  During the half-year ending 31 December 2022, the uptake of the Group's transaction products increased 55% compared to the previous corresponding period to 16,500 products. There remains significant opportunities for growth with SiteMinder Pay capturing only 1% of booking value that flows through our system, and Demand Plus capturing less than 1%.

- **Potential mergers and acquisition ('M&A')**: Given the significant opportunities available within the Group's product suite and the geographies in which it operates, the Group is focused on driving organic growth. However, the Group may undertake acquisitions in the future that improves its strategic position and helps strengthen the capabilities of the platform if the right opportunity arises.

  On 30 September 2022, the Group completed the acquisition of GuestJoy OÜ, a suite of customer relationship management tools that help hoteliers automate and digitise their guest communication, drive upsell revenues, and strengthen direct guest acquisition.

Reconciliation to reported results and non-IFRS measures

The following commentary should be read with the financial statements and the related notes in this report.

For the purposes of this report, 'underlying' is defined as the reported results as set out in the financial statements adjusted for significant items such as transaction costs related to IPO, revaluation of cash settled share based payments as at IPO, fair value movement on embedded derivatives, items related to merger and acquisition activity, and costs related to the restructuring of the Group's operations.

Non-IFRS (International Financial Reporting Standards) measures (such as EBITDA) have been included as the directors believe they provide useful information to assist the reader's understanding of the Group's financial performance. Non-IFRS financial measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with IFRS.

	6 months ended 31 Dec 2022 (H1FY23) $'000	6 months ended 31 Dec 2021 (H1FY22) $'000	Change $'000	Change %
Revenue	71,722	54,993	16,729	30%
- Subscription	48,721	42,699	6,022	14%
- Transaction and other	23,001	12,294	10,707	87%
Reported EBITDA	(15,385)	(16,654)	1,269	(8%)
Underlying EBITDA	(14,553)	(9,958)	(4,595)	46%
Reported net loss after income tax	(25,527)	(87,035)	61,508	(71%)
Underlying net loss after income tax	(24,695)	(18,580)	(6,115)	33%
Reported free cash flow	13,780	(90,275)	104,055	n/a
Underlying free cash flow	(20,254)	(16,637)	(3,617)	22%
Key metrics				
Annualised recurring revenue	143,500	110,300	33,200	30%
Properties (#)	36,600	33,400	3,200	10%
Transaction products (#)	16,500	10,600	5,900	55%
Monthly average revenue per user ($)	339	280	59	21%
- Subscription	230	218	12	6%
- Transaction and other	108	62	46	74%
Monthly revenue churn	1.1%	1.0%	+5bps	n/a
LTV / CAC	3.6x	3.2x	+0.4x	n/a
- Lifetime value (LTV, $)	21,172	19,396	1,776	9%
- Cost of acquiring customer (CAC, $)	5,941	6,115	(174)	(3%)

Revenue
The Group's total revenue for H1FY23 increased by 30.4% or 29.6% year-on-year ('y/y') on a constant currency ('cc') and organic basis to $71.7 million. The key drivers of the revenue performance were increased uptake of transaction products by our customers, subscriber growth, the continued recovery of global travel as COVID-19 related restrictions continue to be eased, and price increases.

Subscription revenue increased 14.1% or 13.4% (cc,organic) y/y to $48.7 million, compared to 6.1% (cc,organic) y/y in H2FY22. The growth was driven by a 9% y/y (organic) increase in the number of properties, and a 6% increase in subscription ARPU (average revenue per user). ARPU benefited from increased customer uptake of our subscription products, favourable customer mix, and price increases. Price increases implemented during H1FY23 contributed two percentage points to revenue growth.

Transaction revenues increased 87.1% or 85.1% (cc,organic) y/y to $23.0m, compared to 79.5% (cc,organic) y/y in H2FY22. The number of transaction products in-use by our customers increased 55% y/y (organic) with SiteMinder Pay and Demand Plus the key contributors.

Property count
The total number of properties subscribing to the Group's products increased by 10% y/y or 9% y/y (organic) to 36,600. During H1FY23 SiteMinder added 1.9k properties. On an organic basis, 1.6k properties were added compared to 1.0k in H1FY22, an increase of 60%.

The acceleration in the rate of net property additions was driven by the investment in SiteMinder's go-to-market capacity and channel expansion.

Regional performance

The Americas ('AMER')
Revenue increased 38.0% or 26.8% (cc) y/y to $19.3m in H1FY23. The performance was driven by strong subscriber growth, which increased by 14.0% y/y to 7,100, and increased uptake of transaction products.

Europe, Middle East and Africa ('EMEA')
Revenue increased 18.9% or 24.7% (cc) y/y to $28.6 million in H1FY23.

The performance benefitted from subscriber growth, and increased uptake of transaction products. The number of subscribers increased 10.3% y/y to 17,200.

Asia Pacific ('APAC')
Revenue increased 40.5% or 39.4% (cc) y/y to $23.8 million in H1FY23, with growth accelerating significantly from 5.9% (cc) y/y in H2FY22.

APAC's performance benefitted from the progressive easing of COVID related restrictions over the last 12 months. China announced on 26 December 2022 that it would no longer require inbound travellers to undergo quarantine starting from 8 January 2023. These developments helped accelerate demand for our subscription and transaction products during H1FY23.

The number of subscribers in APAC increased 6.5% y/y to 12,300. Specifically, our subscriber base in Asia grew by more than 10%.

Discussion of costs
Total expenses for H1FY23 was $98.6 million, which is $43.7 million or 30.7% lower compared to H1FY22. The decline was due to the cycling of one-off charges in H1FY22 with underlying costs increasing 32.4% y/y.

During H1FY22, SiteMinder recognised one-off charges consisting of $61.8m related to the fair value movement on embedded derivatives, $5.2 million of IPO costs, and $1.5 million related to the revaluation of cash-settled share based payments as at the IPO. During H1FY23, SiteMinder recognised $0.6m of acquisition related costs, and $0.2 million of restructuring costs.

Excluding the aforementioned items, underlying costs increased 32.4% y/y to $97.8 million in H1FY23. The increase was driven by:

- **Direct transaction costs** increased by $7.1 million or 90.4% y/y to $14.9 million in H1FY23. The increase is in line with the growth in transaction revenue, which increased 87.1% y/y driven by increased uptake by our customers.

- **Employee benefits** increased by $7.7 million or 17.3% y/y to $52.2 million in H1FY23 as a result of increased headcount as the Group expanded its go-to-market functions and wage inflation. These pressures were in-part offset by our efforts to globalise our workforce.

- **Marketing and related expenses** increased by $1.8 million or 57.7% y/y to $4.9 million in H1FY23. The increase reflects the Group's expanded go-to-market expenditure in relation to local and regional marketing events, and the continued scaling of the digital acquisition engine.

Earnings before interest tax depreciation and amortisation ('EBITDA')
EBITDA is earnings before interest (net finance income), tax, depreciation and amortisation and is a financial measure which is not prescribed by the Australian Accounting Standards ('AASs') and represents profit or loss under AASs adjusted for specific items.

Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. Management may from time to time make additional adjustments to EBITDA to remove items that, in its opinion, cause the operational performance of the business to be misrepresented. The outcome of these additional adjustments is 'Underlying EBITDA'.

Underlying EBITDA in H1FY23 has been calculated by removing:
- Transaction costs related to acquisition of $0.6 million
- Restructuring costs of $0.2 million

Underlying EBITDA in H1FY22 has been calculated by removing:
- Transaction costs related to the IPO and capital raise of $5.2 million
- Cash settlement costs associated with equity plan rebasement on IPO of $1.5 million

	H1FY23 $'000	H1FY22 $'000
Reported loss before income tax expense	(26,340)	(86,997)
Interest revenue calculated using the effective interest method	(199)	(54)
Fair value movement on embedded derivative	-	61,759
Depreciation and amortisation expense	10,758	8,177
Finance costs	396	461
Reported EBITDA	**(15,385)**	**(16,654)**
Transaction costs related to IPO	-	5,201
Other costs related to IPO	-	1,495
Restructuring costs	240	-
Transaction costs related to acquisition	592	-
Underlying EBITDA	**(14,553)**	**(9,958)**

Underlying EBITDA losses increased from $10.0 million in H1FY22 to $14.6 million and this was predominantly due to increased operating expenses, with the reinvestment in the business to support growth. The investment was focused on ramping the Group's go-to-market capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020, and research and development investment for new product launches.

Net profit after tax ('NPAT')

Net profit after tax ('NPAT') improved from a loss of $87.0 million in H1FY22 to a loss of $25.5 million in H1FY23. The improvement was due to the cycling of costs related to the IPO.

Management may from time to time make additional adjustments to NPAT to remove items that, in its opinion, cause the operational performance of the business to be misrepresented. The outcome of these additional adjustments is 'Underlying NPAT'.

Underlying NPAT in H1FY23 has been calculated by removing:
- Transaction costs related to acquisition of $0.6 million
- Restructuring costs of $0.2 million

Underlying NPAT in H1FY22 has been calculated by removing:
- Fair value movement on embedded derivatives of $61.8 million
- Transaction costs related to the IPO and capital raise of $5.2 million
- Cash settlement costs associated with equity plan rebasement on IPO of $1.5 million

Reconciliation of reported NPAT to underlying NPAT:

	H1FY23 $'000	H1FY22 $'000
Reported NPAT	**(25,527)**	**(87,035)**
Fair value movement on embedded derivative	-	61,759
Transaction cost related to IPO and capital raise	-	5,201
Cash settled equity plan rebasement on IPO	-	1,495
Restructuring costs	240	-
Transaction costs related to acquisition	592	-
Underlying NPAT	**(24,695)**	**(18,580)**

Statement of financial position

The Group's statement of financial position substantially consists of the following items:

- **Cash and term deposit balance** at the end of December 2022 was $68.2 million, which is $20.5 million lower than the balance at the end of FY22. This reflects the investments SiteMinder made to ramp its go-to-market capacity and capability, and to realise the product development pipeline. Including the amount available under its undrawn debt facilities, the Group has $97.6 million of funds available.

- **Intangibles balance** at the end of December 2022 was $48.6 million of which $41.3 million is capitalised development costs (including work-in-progress) and $5.0 million is goodwill. SiteMinder's intangibles balance increased by $10.7 million compared to FY22 due to the on-going capitalisation of development costs, and the recognition of goodwill in-relation to the acquisition of GuestJoy.

Cash flow statement

Operating cash outflow in H1FY23 was $8.5 million compared to $19.7 million outflow in H1FY22.

H1FY23 included $0.7 million of pre-IPO historical commitments, $0.2 million of costs related to the acquisition of GuestJoy, and $0.2 million of restructuring costs. H1FY22 included $4.1 million of transaction costs related to the IPO and capital raise, and $9.5 million of payments for employee incentives on IPO. These items have been excluded for the purpose of determining underlying operating cash outflow.

Underlying operating cash outflow was $7.3 million in H1FY23 and $6.1 million in H1FY22. The increase reflects the Group's investment in ramping go-to-market capacity and scaling its digital acquisition engine to support future growth.

Investment cash inflow in H1FY23 was $22.3 million compared to the $70.6 million outflow in H1FY22. H1FY23 included inflows of $35.0 million from the maturity of term deposits and $0.2 million from the acquisition of GuestJoy. H1FY22 included a $60.0 million investment in term deposits. These items have been excluded for the purpose of determining underlying investment cash outflow.

Underlying investment cash outflow was $12.9m million in H1FY23 compared to $10.6 million in H1FY22. The increase reflects the Group's continuing investment to realise its product development pipeline. The Group invested $24.2 million in development and capitalised 48% in H1FY23.

Financing cash inflow of $0.7 million in H1FY23 compared to $112.3m in H1FY22. H1FY22 included $110.0 million of proceeds from issue of shares in the IPO and capital raise, and payments for transaction costs directly attributable to the issue of new shares of $3.4 million.

Underlying free cash outflow for H1FY23 was $20.3 million as presented below, representing 28.2% of revenues.

The Group has available cash of $41.1 million and term deposits of $27.1 million totalling $68.2 million. The Group also has access to undrawn debt facilities of $29.3 million.

	H1FY23 $'000	H1FY22 $'000
Operating cash flows	(8,474)	(19,701)
Investment cash flows	22,254	(70,574)
Reported operating and investment cash flows	**13,780**	**(90,275)**
Transaction costs relating to IPO and capital raise[1]	-	4,108
Payment for employee incentives on IPO[2]	-	9,530
(Maturity) / placement for term deposits[3]	(35,000)	60,000
M&A related cash items	(7)	-
Restructuring costs	240	-
Pre-IPO historical commitments	733	-
Underlying free cash flows	**(20,254)**	**(16,637)**

(1) Remove transaction costs paid relating to the IPO and capital raise. Total transaction fees paid related to the offer were $7,556,000 of which $3,448,000 is directly attributable to the issue of new shares by SiteMinder, and has been recognised in financing cash flow. The remaining $4,108,000 is recognised in operating cash flow.
(2) Remove payment for employee incentive on IPO of $9,530,000.
(3) Refers to flow of funds into and out of term deposits and has been adjusted from underlying free cash flow.

Key SaaS Metrics

SaaS companies like SiteMinder operate on many of the same performance metrics as traditional companies, such as revenue, cash flow and customer numbers. However, understanding the performance of SaaS companies and being able to benchmark them is assisted by an understanding of SaaS-specific metrics. Below are the headline metrics the Group uses to manage and drive its performance.

Annualised recurring revenue ('ARR') is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. Readers should note that ARR does not represent the Group's actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

ARR at the end of H1FY23 was $143.5 million, growing 30.1% or 28.3% (cc,organic) from H1FY22. Subscription ARR was $101.8 million, growing 17.3% or 15.8% (cc,organic) from H1FY22. Transaction ARR was $41.7 million, growing 77.2% or 73.5% (cc,organic) from H1FY22. Due to the seasonal weakness of Transaction revenues in Q2, the ARR is understated.

Lifetime value ('LTV') is a calculation designed to estimate the average gross profit that the Group might expect to receive from subscription and transaction revenues over the lifetime of a property subscription. It is calculated by taking the monthly average ARPU over the last twelve months, multiplied by the gross margin percentage, divided by monthly revenue churn. LTV is based on annualised calculation of historical metrics at a point in time and is not a forecast of revenue that any particular customer will generate.

LTV at the end of H1FY23 was $21,172 compared to $19,396 in H1FY22. The improvement was driven by subscribers adopting a broader selection of products with the number of transaction products subscribed increasing 55% y/y to 16,500.

Cost of acquiring customers ('CAC') is a measure to understand the cost of acquiring a new customer and is primarily used as an input in the LTV/ CAC ratio. It helps us to decide how to allocate resources and ultimately if the Group is likely to achieve an adequate return on sales, marketing and onboarding expenses. It is calculated by the total sales, marketing and onboarding expenses over a period, less any set-up fees charged in the period, divided by the number of new billed properties in the period. This is presented on a rolling average for the period. CAC reflects the average cost to acquire a customer based on historical metrics at a point in time and not a reflection of what these costs will be in the future.

CAC at the end of H1FY23 was $5,941, decreasing 7% compared to FY22. The Group has been investing to ramp its go-to-market capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020, as well as scaling its digital acquisition engine. The contributions from these investments along with improving market conditions, has helped accelerate subscriber growth and reduce CAC.

LTV/CAC is the ratio between the LTV and CAC. This is an important metric to use as it measures the profitability of acquiring a property. The Group will strive to maximise total LTV while optimising the level of CAC investment in order to achieve a desirable LTV/CAC ratio.

LTV/CAC for H1FY23 was 3.6x, compared to 3.2x in H1FY22 representing the net impact of the changes in LTV and CAC.

Monthly ARPU is the monthly average revenue per user (or property) which measures the average revenue from each customer and is used in calculating LTV. It also indicates if the value of a customer is increasing or decreasing on average and helps management to analyse the performance of the business and make decisions on pricing and investment decisions.

It is calculated by using monthly recurring revenue and dividing it by the number of properties for each respective month. The monthly ARPU is presented as the average of the last 12 months. Monthly ARPU increased by 20.8% or 20.3% y/y (cc) to $339 in H1FY23.

Subscription ARPU increased 5.7% or 5.4% y/y (cc) to $230 in H1FY23 as subscribers adopted a broader selection of solutions and price increases were implemented. Transaction ARPU increased 73.6% or 71.7% y/y (cc) to $108 in H1FY23 as travel activity recovered and the number of transaction products subscribed by the Group's customers increased 55% y/y to 16,500.

COVID-19 assessment
Since the start of the COVID-19 pandemic, the global travel sector has undergone significant disruptions given the extended periods of lockdowns, movement restrictions and border closures globally.

Throughout the COVID-19 pandemic, the Group's performance wasn't impacted to the same degree as the majority of the global travel industry. In FY21, the reporting period most impacted by COVID, the Group's revenues fell 5.7% y/y (cc).

Towards the end of FY22, as vaccination rates reached adequate levels, many countries started lifting their COVID-19 related restrictions and the Group saw a recovery in global travel activity. This trend has continued in H1FY23 with China announcing on 26 December 2022 the in-bound travellers would no longer be required to quarantine on arrival from 8 January 2023.

It is expected that the recovery and continued strength of global travel activity, coupled with the investments the Group has made in product development and its go-to-market engine, should see the Group sustain strong rates of organic revenue growth. The Group's total revenue for H1FY23 increased by 30.4% or 29.6% year-on-year ('y/y') on a constant currency ('cc') and organic basis, which is consistent with momentum prior to COVID-19.

The Group expects the recovery in global travel activity will continue but note that new COVID-19 variants may see governments prolong or impose additional restrictions and other measures to combat the spread of the virus. This could adversely impact the Group's outlook.

Macroeconomic assessment
The Group's operating and financial performance is dependent on the health of the travel industry, which is influenced by economic conditions alongside other factors. Lower than expected economic growth, increased unemployment, and high rates of cost inflation are examples of economic conditions that would adversely affect the travel industry.

Historically, the impact of changes in economic conditions on the travel industry has been relatively modest. Measures such as 'World Air Travel Passengers Carried', as published by the World Bank, declined by less than 3% during recent recessionary periods with the exception of the period impacted by COVID-19.

The Group publishes a World Hotel Index which measures the bookings generated by its subscribers. At the end of 2022, the volume of bookings generated was 103% of pre-COVID levels compared to just 72% at the end of 2021. This improving trend has continued in H1FY23 with China announcing on 26 December 2022 that in-bound travellers would no longer be required to quarantine on arrival from 8 January 2023.

The Group manages the potential impact of changing macroeconomic conditions by maintaining a flexible cost base and being proactive in positioning the business for changes in the external environment. The Group's offering of relatively low cost but key subscription products has demonstrated resilience in challenging conditions, as demonstrated during the COVID-19 pandemic where revenues only fell 5.7% y/y (cc) in FY21.

Outlook
SiteMinder continues to target pre-COVID-19 revenue growth rates (31% from FY17-FY19) in the future but realisation of this target will depend on many factors outside of the Company's control, including the continued abatement of COVID-19 related influences on the accommodation and travel industry.

SiteMinder expects to be free cash flow neutral by Q4FY24 on a quarterly basis through continued revenue growth and cost initiatives. This plan is subject to the continued recovery of travel and other factors outside SiteMinder's control.

Significant changes in the state of affairs
Share Purchase Agreement
On August 22, 2022, SiteMinder signed a Share Purchase Agreement (SPA) to acquire GuestJoy for an initial payment of $4.25 million (€3.25 million) subject to completion adjustments, and a further $2.48 million (€1.75 million) subject to the completion of specified performance milestones within 24 months. The transaction will be 100% equity funded via the issuance of additional shares.

The Company announced the completion of the acquisition of GuestJoy on 30 September 2022.

With respect to the initial payment for the acquisition of GuestJoy, the company, after taking into consideration completion adjustments, issued a total of 1,461,165 shares valued at $4.74m (€3.17m) at the time of issuance.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 31 January 2023, SiteMinder announced and embarked on a cost-out program, which is still in progress. The proposed pathway will ensure that SiteMinder has the ability to successfully deliver on its longer term growth objectives.

On 15 February 2023, SiteMinder announced that Michael Ford retired from his position as a Non-Executive Director effective from the close of business on 14 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Pat O'Sullivan
Chairman

Sankar Narayan
Managing Director and Chief Executive Officer

22 February 2023
Sydney

Deloitte.

Deloitte Touche Tohmatsu
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22 February 2023

The Board of Directors
SiteMinder Limited
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30 Windmill St
Sydney NSW 2000

Dear Board Members

Auditor's Independence Declaration to SiteMinder Limited and its controlled entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the those charged with governance of SiteMinder Limited.

As lead audit partner for the review of the financial report of SiteMinder Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha
Partner
Chartered Accountants

Contents

SiteMinder Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

SiteMinder

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 31 Dec 2021 $'000
Revenue	4	71,722	54,993
Other income		350	252
Interest revenue calculated using the effective interest method		199	54
Expenses			
Direct transaction costs		(14,899)	(7,825)
Employee benefits expense	5	(52,437)	(45,995)
Depreciation and amortisation expense	5	(10,758)	(8,177)
Marketing and related expense		(4,854)	(3,078)
Technology costs		(5,544)	(4,436)
Professional fees		(3,449)	(1,521)
Occupancy expense		(1,796)	(1,485)
Fair value movement on embedded derivative		-	(61,759)
Transaction costs related to IPO and capital raise		-	(5,201)
Transaction costs related to acquisition		(592)	-
Other expenses		(3,886)	(2,358)
Finance costs	5	(396)	(461)
Loss before income tax benefit/(expense)		(26,340)	(86,997)
Income tax benefit/(expense)		813	(38)
Loss after income tax benefit/(expense) for the half-year		(25,527)	(87,035)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		-	899
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(148)	(387)
Other comprehensive income/(loss) for the half-year, net of tax		(148)	512
Total comprehensive loss for the half-year		(25,675)	(86,523)
		$	**$**
Basic earnings per share	20	(0.09)	(0.58)
Diluted earnings per share	20	(0.09)	(0.58)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

SiteMinder

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	6	41,101	26,598
Trade and other receivables	7	4,567	3,872
Contract assets		1,946	2,495
Income tax refund due		34	-
Prepayments and deposits		2,615	2,681
Other financial assets	8	27,123	62,123
Total current assets		77,386	97,769
Non-current assets			
Financial assets at fair value through other comprehensive income		3,333	3,333
Other financial assets		600	1,337
Property, plant and equipment		1,890	1,554
Right-of-use assets	9	9,091	9,727
Intangibles	10	48,609	37,912
Deferred tax asset		454	32
Total non-current assets		63,977	53,895
Total assets		141,363	151,664
Liabilities			
Current liabilities			
Trade and other payables	11	21,218	20,366
Contract liabilities		5,504	3,907
Lease liabilities		3,149	2,717
Provision for income tax		-	2
Employee benefits	12	6,901	7,065
Other current liabilities	13	620	-
Total current liabilities		37,392	34,057
Non-current liabilities			
Lease liabilities		8,765	9,913
Employee benefits	14	719	671
Provision		161	156
Other non-current liabilities	15	1,861	-
Total non-current liabilities		11,506	10,740
Total liabilities		48,898	44,797
Net assets		92,465	106,867
Equity			
Issued capital	16	240,749	234,014
Reserves	17	440,527	436,137
Accumulated losses*		(588,811)	(563,284)
Total equity		92,465	106,867

*Accumulated losses include $422,256,000 (FY22: $422,256,000) accumulated losses resulting from fair value through profit or loss of embedded derivative movement of preference shares and $166,555,000 (FY22: $141,028,000) accumulated losses from operations.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021	53,544	24,162	(452,802)	(375,096)
Loss after income tax expense for the half-year	-	-	(87,035)	(87,035)
Other comprehensive income for the half-year, net of tax	-	512	-	512
Total comprehensive income/(loss) for the half-year	-	512	(87,035)	(86,523)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	106,407	-	-	106,407
Settlement of loans	7,115	-	-	7,115
Share-based payments	-	7,746	-	7,746
Conversion of preference shares (note 17)	65,941	401,703	-	467,644
Balance at 31 December 2021	233,007	434,123	(539,837)	127,293

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	234,014	436,137	(563,284)	106,867
Loss after income tax benefit for the half-year	-	-	(25,527)	(25,527)
Other comprehensive loss for the half-year, net of tax	-	(148)	-	(148)
Total comprehensive loss for the half-year	-	(148)	(25,527)	(25,675)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	4,515	-	-	4,515
Settlement of loans	2,220	-	-	2,220
Share-based payments, net of tax	-	4,538	-	4,538
Balance at 31 December 2022	240,749	440,527	(588,811)	92,465

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

SiteMinder

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 31 Dec 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		74,783	56,279
Payments to suppliers and employees (inclusive of GST)		(81,521)	(61,903)
		(6,738)	(5,624)
Transaction costs in relation to IPO and capital raise		-	(4,108)
Payment for employee incentives on IPO		(726)	(9,530)
Interest and other finance costs paid		(386)	(430)
Income taxes paid		(624)	(9)
Net cash used in operating activities		(8,474)	(19,701)
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	21	165	-
Interest received		301	29
Payments for property, plant and equipment		(734)	(318)
Payments for intangibles		(12,233)	(10,491)
Payments for security deposits		(261)	-
Withdrawal from security deposits		-	206
Proceeds from disposal of property, plant and equipment		16	-
Maturity/(placement) of term deposits		35,000	(60,000)
Net cash provided by/(used in) investing activities		22,254	(70,574)
Cash flows from financing activities			
Proceeds from issue of shares		-	110,000
Proceeds from management share loan and options	16	2,220	6,623
Payments for transaction costs related to IPO and capital raise		-	(3,448)
Payments for transaction costs related to borrowing and loan		(54)	(21)
Repayment of lease liabilities		(1,492)	(806)
Net cash provided by financing activities		674	112,348
Net increase in cash and cash equivalents		14,454	22,073
Cash and cash equivalents at the beginning of the financial half-year		26,598	30,970
Effects of exchange rate changes on cash and cash equivalents		49	(44)
Cash and cash equivalents at the end of the financial half-year		41,101	52,999

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover SiteMinder Limited as a Group consisting of SiteMinder Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to as the 'Group').

SiteMinder Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bond Store 3
30 Windmill Street
Millers Point
Sydney NSW 2000
Australia

SiteMinder's platform encompasses solutions in the spaces of direct and third-party distribution, website design and creation, analytics and market insights, property management, and payments, for hotels of all types and sizes to manage every stage of their customers' journeys. During the financial half-year, the Group's principal activities consisted of the development, sales and marketing of online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service subscription model.

No significant change in the nature of these activities occurred during the financial half-year.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022, SiteMinder's Prospectus and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Comparatives

Certain comparatives have been reclassified to conform with current half-year presentation. This has not had any impact on the financial position of the Group at 30 June 2022 or the results for the half-year ended 31 December 2021.

Business combination

During the current half-year, the Company acquired a new subsidiary GuestJoy OÜ on 30 September 2022. Refer to note 21 for further details.

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 3. Operating segments

Identification of reportable operating segments
The Group operates within one business segment, being the operation of an online hotel booking platform assisting worldwide accommodation providers in gaining more online bookings and managing their online room distribution and reports to the Board of Directors (who are identified as the CODM) on the performance of the Group as a whole. While the Group generates revenue in a number of countries including APAC (Major countries: Australia, Thailand and New Zealand), EMEA (Major countries: United Kingdom, Spain and Germany) and AMER (Major countries: United States and Canada), these geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment.

The amounts of revenue by region is disclosed in note 4. The CODM does not review or assess financial performance on a geographical basis.

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these financial statements.

The Group has identified a single operating segment, which is the whole of the consolidated operation. This single operating segment represents a reporting segment. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

SiteMinder

Note 4. Revenue

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Revenue from contracts with customers		
Recurring subscription revenue - over a period of time	48,721	42,699
Recurring transaction revenue - at a point in time	23,001	12,294
Total revenue	71,722	54,993

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Geographical regions		
Asia Pacific ('APAC')	23,842	16,966
Europe, Middle East and Africa ('EMEA')	28,605	24,060
Americas ('AMER')	19,275	13,967
	71,722	54,993

Major customers
During the half-years ended 31 December 2022 and 31 December 2021, there were no major customers that represent greater than 10% of the Group's revenue.

Note 5. Loss before income tax expense

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Loss before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	415	425
Depreciation of right-of-use assets	1,412	1,265
Amortisation of intangible assets	8,931	6,487
Total depreciation and amortisation expense	10,758	8,177
Finance costs		
Interest and finance charges paid/payable on lease liabilities	386	430
Interest on banking facilities	5	27
Unwinding of the discount on lease make good provision	5	4
Finance costs expensed	396	461
Leases (included in occupancy expense)		
Short-term lease payments	639	267
Low-value assets lease payments	4	6
	643	273
Employee benefits expense		
Employee benefits*	58,942	49,070
Expenses associated with share-based payment plans	5,156	1,140
Capitalised employee benefits expense**	(11,661)	(9,934)
Expenses associated with shadow equity plan***	-	5,719
Total employee benefits expense	52,437	45,995

* Employee benefits include $3,118,000 (31 December 2021: $2,565,000) defined contribution superannuation expense.
** Costs incurred in relation to employee benefits that are directly attributable to development activities and therefore capitalised in intangible assets.
*** The plan was terminated during FY22.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Cash at bank	41,101	26,598

For the purposes of the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and at banks. Cash and cash equivalents at the end of the reporting date as shown in the statement of cash flows are reconciled to the related items in the consolidated statement of financial position as above.

Note 7. Current assets - trade and other receivables

	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Trade receivables	4,263	3,771
Less: Allowance for expected credit losses	(186)	(438)
	4,077	3,333
Other receivables	270	394
GST, VAT and sales tax receivables	220	145
	4,567	3,872

Note 8. Current assets - other financial assets

	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Term deposits held to maturity	27,123	62,123

Term deposits are held for 4-12 months during the period.

Note 9. Non-current assets - right-of-use assets

	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Land and buildings - right-of-use	16,203	15,418
Less: Accumulated depreciation	(7,112)	(5,691)
	9,091	9,727

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land and buildings $'000
Balance at 1 July 2022	9,727
Additions	586
Remeasurement of leases	188
Exchange differences	2
Depreciation expense	(1,412)
Balance at 31 December 2022	9,091

Note 10. Non-current assets - intangibles

	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Goodwill - at cost	5,606	632
Less: Impairment	(632)	(632)
	4,974	-
Customer relationships - at cost	248	-
Less: Accumulated amortisation	(5)	-
	243	-
Software - at cost	2,989	932
Less: Accumulated amortisation	(937)	(901)
Less: Impairment	(3)	(3)
	2,049	28
Capitalised development costs - at cost	87,810	75,525
Less: Accumulated amortisation	(45,874)	(37,014)
Less: Impairment	(627)	(627)
	41,309	37,884
Brand - at cost	34	-
	48,609	37,912

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $'000	Customer relationships $'000	Software $'000	Capitalised development costs* $'000	Brand $'000	Total $'000
Balance at 1 July 2022	-	-	28	37,884	-	37,912
Additions	-	-	-	12,315	-	12,315
Additions through business combinations (note 21)	4,974	248	2,057	-	34	7,313
Amortisation expense	-	(5)	(36)	(8,890)	-	(8,931)
Balance at 31 December 2022	4,974	243	2,049	41,309	34	48,609

* Capitalised development costs includes work-in-progress.

Note 11. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Trade payables	8,091	5,351
GST, VAT and sales tax liabilities	401	-
Employment taxes payable	4,183	3,417
Other provisions	4,239	4,346
Accrued expenses	3,123	5,044
Other payables	1,181	2,208
	21,218	20,366

Note 12. Current liabilities - employee benefits

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Annual leave	3,957	4,318
Long service leave	741	723
Other employee benefits	2,203	2,024
	6,901	7,065

Note 13. Current liabilities - other current liabilities

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Contingent consideration	620	-

Refer to note 15 for further details.

Note 14. Non-current liabilities - employee benefits

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Cash tenure liability	209	266
Long service leave	510	383
Other	-	22
	719	671

Note 15. Non-current liabilities - other non-current liabilities

	Consolidated	
	31 Dec 2022 $'000	30 Jun 2022 $'000
Contingent consideration	1,861	-

Contingent consideration payable relates to the acquisition of GuestJoy OÜ. Refer to note 19 and note 21 for further details.

Note 16. Equity - issued capital

	Consolidated			
	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 $'000	30 Jun 2022 $'000
Ordinary shares - fully paid	274,854,872	271,793,707	263,194	258,679
Management share loans	(10,272,237)	(12,508,677)	(22,445)	(24,665)
Treasury shares	(1,973,776)	(1,294,291)	-	-
	262,608,859	257,990,739	240,749	234,014

Movements in ordinary share capital

Details	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 $'000	30 June 2022 $'000
Opening balance	271,793,707	2,522,692	258,679	1,721
Issue of shares	3,061,165	113,856,747	4,515	156,992
New shares issued on options exercised	-	611,586	-	625
Exercise of performance rights and options from existing treasury stock*	-	-	-	70
Share issuance costs	-	-	-	(4,156)
Share split	-	98,584,122	-	-
Conversion from A class shares	-	35,808,640	-	71,540
Conversion from Management loan funded shares	-	20,409,920	-	31,887
Balance of issued ordinary share capital	274,854,872	271,793,707	263,194	258,679
Less: Management share loans	(10,272,237)	(12,508,677)	(22,445)	(24,665)
Less: Treasury shares held	(1,973,776)	(1,294,291)	-	-
Balance at end of the period	262,608,859	257,990,739	240,749	234,014

**In June 2022, 20,000 shares were released from the treasury shares with consideration of $70,000 from the exercise of options.*

Movements in management share loans

Details	Shares	$'000
Balance at 1 July 2022	(12,508,677)	(24,665)
Loan repayments*	2,236,440	2,220
Cancellation of shares	-	-
	(10,272,237)	(22,445)

* Management share loans were repaid in October 2022 and November 2022.

Note 16. Equity - issued capital (continued)

The management share loan consists of:

	$'000
Unpaid loans for vested employee shares	18,044
Unpaid loans for unvested employee shares (in escrow)	4,401
	22,445

*Movements in treasury shares***

Details	Shares
Balance at 1 July 2022	(1,294,291)
Treasury shares issued	(1,600,000)
Treasury shares released for awards exercised	920,515
	(1,973,776)

****For the interim half-year reporting period ended 31 December 2022, 1,600,000 shares were issued by the Company to the Employee Share Trust. The shares were not acquired on market therefore no value has been prescribed. Shares released from the Trust are also recorded at $nil value.*

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Management loan funded shares
Management loan funded shares confer no voting rights, however they carry the right to dividends. These shares were provided with a non-recourse interest free loan by the Group to purchase those shares. The loan to management for the shares issue has been deducted from equity (management share loans) as the scheme is treated as an in-substance share options.

Treasury shares
Treasury shares are ordinary shares issued to employee share trust to satisfy future exercises that occur in the SiteMinder Equity Performance Rights Plan and SiteMinder Options Plan. Ordinary shares will be released from employee share trust and provided to permanent staff members at the time of satisfying time vesting conditions of up to 3 years.

Note 17. Equity - reserves

	Consolidated 31 Dec 2022 $'000	Consolidated 30 Jun 2022 $'000
Foreign currency translation reserve	(3,040)	(2,892)
Share-based payments reserve (net of tax)	24,461	19,923
Share buy-back reserve	(6,399)	(6,399)
Financial assets at fair value reserve	3,249	3,249
Embedded derivative conversion reserve	422,256	422,256
	440,527	436,137

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Share buy-back reserve $'000	Financial assets at fair value reserve $'000	Embedded derivative conversion reserve $'000	Total $'000
Balance at 1 July 2022	(2,892)	19,923	(6,399)	3,249	422,256	436,137
Foreign currency translation	(148)	-	-	-	-	(148)
Share-based payments	-	4,538	-	-	-	4,538
Balance at 31 December 2022	(3,040)	24,461	(6,399)	3,249	422,256	440,527

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Share buy-back reserve
The reserve is used to recognise contributions made by the Company to buy-back issued capital.

Financial assets at fair value reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Embedded derivative conversion reserve
The embedded derivative conversion reserve represents the excess of the derivative fair value on conversion over the preference share capital initially contributed. On IPO, all preference shares were converted to ordinary shares.

Note 18. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 19. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment at fair value through other comprehensive income	-	-	3,333	3,333
Total assets	-	-	3,333	3,333
Liabilities				
Contingent consideration	-	-	2,481	2,481
Total liabilities	-	-	2,481	2,481

Consolidated - 30 Jun 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment at fair value through other comprehensive income	-	-	3,333	3,333
Total assets	-	-	3,333	3,333

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

The contingent consideration payable relates to acquisition of subsidiaries, refer to note 21 for further details. The contingent consideration is calculated based on probability of achievements on post-acquisition deliverables.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Investment $'000	Contingent liability $'000
Balance at 1 July 2022	3,333	-
Gains recognised in other comprehensive income	-	-
Acquisition	-	(2,481)
Balance at 31 December 2022	3,333	(2,481)

SiteMinder

Note 20. Earnings per share

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Loss after income tax	(25,527)	(87,035)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	272,722,534	150,777,618
Weighted average number of ordinary shares used in calculating diluted earnings per share	272,722,534	150,777,618

	Consolidated	
	6 months ended 31 Dec 2022 $	6 months ended 31 Dec 2021 $
Basic earnings per share	(0.09)	(0.58)
Diluted earnings per share	(0.09)	(0.58)

Share options, unpaid management loan funded shares and preference shares have been excluded from the above calculation as they were anti-dilutive.

Note 21. Business combinations

On 30 September 2022, SiteMinder Limited acquired 100% of the ordinary shares of GuestJoy OÜ for the total consideration of $6,996,000. GuestJoy is a customer relationship management suite of tools that helps hoteliers automate and digitise their guest communication, drive upsell revenues, and strengthen direct guest acquisition. GuestJoy will help strengthen the capabilities of SiteMinder’s platform which will aid new business acquisition, and reduce churn. The goodwill of $4,974,000 represents the expected synergies from integrating this business with SiteMinder's software product offerings.

The acquired business contributed revenues of $0.2 million and loss after tax of $59,409 to the Group for the period from 30 September 2022 to 31 December 2022. If the acquisition occurred on 1 July 2022, the contributions for the period would have been revenues of $0.4 million and loss after tax of $85,678. The values identified in relation to the acquisition of GuestJoy OÜ include contingent consideration of $2,481,000 (€1.75 million) subject to the completion of specified performance milestones within 24 months. The fair value of contingent consideration has been included in assessing the fair values of the assets identified in relation to the acquisition of GuestJoy OÜ. The fair value of the assets identified are provisional at 31 December 2022.

Note 21. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	165
Trade receivables and prepayments	70
Customer relationships	248
Software	2,057
Brand	34
Trade payables	(157)
Deferred tax liability	(321)
Employee benefits	(49)
Net assets acquired	2,047
Goodwill	4,974
Acquisition-date fair value of the total consideration transferred	7,021
Representing:	
Contingent consideration	2,481
Equity provided or payable to vendor	4,515
	6,996
Cash used to acquire business, net of cash acquired:	
Less: cash and cash equivalents	(165)

Note 22. Share-based payments

SiteMinder Option Plan

An option plan has been established by the Group and approved by the Board of Directors, whereby the Group may, at the discretion of the Board of Directors, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors. The options are convertible to ordinary shares on the satisfaction of time vesting conditions which vary between 3 to 4 years and can be exercised up to 3 years after the vesting period.

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	6,226,240	$4.24	4,305,880	$2.31
Granted	328,680	$3.84	3,352,588	$5.75
Forfeited	(473,994)	$5.03	-	$0.00
Exercised	-	$0.00	(1,191,520)	$1.42
Expired	-	$0.00	-	$0.00
Outstanding at the end of the financial half-year	6,080,926	$4.16	6,466,948	$4.24
Exercisable at the end of the financial half-year	2,524,935	$3.41	920,000	$2.33

The options chosen to be exercised (excluding the options granted on 11 October 2016) have been satisfied on a net settlement basis. This has resulted into a conversion to 580,638 ordinary shares.

Note 22. Share-based payments (continued)

Set out below are the number of options exercisable at the end of the financial half-year:

Grant date	31 Dec 2022 Number	30 Jun 2022 Number
03/06/2019	750,000	750,000
21/08/2019	142,200	-
01/07/2020	790,000	340,000
02/08/2021	180,000	-
08/11/2021	662,735	-
	2,524,935	1,090,000

The weighted average share price during the financial half-year was $3.37 (30 June 2022: $5.46).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 0.96 years (30 June 2022: 1.46 years).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
24/10/2022	22/11/2027	$3.02	$3.84	50.00%	3.69%	$1.05

Equity Performance Rights
The Board of Directors of the Group established the SiteMinder Equity Performance Rights Plan for the purpose of providing staff with an opportunity to share in the growth in value of the Company and to incentivise staff to further engage in the improvement of the Group's performance. The Plan provides for Ordinary shares to be paid to permanent staff members at the time of satisfying time vesting conditions of up to 3 years.

	Number of rights 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of rights 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	3,634,608	$0.00	-	$0.00
Granted	1,612,297	$0.00	3,165,375	$0.00
Forfeited	(254,745)	$0.00	(277,770)	$0.00
Vested and exercised	(1,027,275)	$0.00	-	$0.00
Expired	-	$0.00	-	$0.00
Outstanding at the end of the financial half-year	3,964,885	$0.00	2,887,605	$0.00
Exercisable at the end of the financial half-year	34,341	$0.00	-	$0.00

The weighted average remaining contractual life of equity performance rights outstanding at the end of the financial half-year was 1.19 years (30 June 2022: 1.4 years).

Total Shareholder Returns ('TSR') Performance Rights
The Board of Directors of the Group established the SiteMinder TSR Performance Rights Plan for the purpose of providing staff with an opportunity to share in the growth in value of the Company and to incentivize staff to further engage in the improvement of the Group’s performance.

The Vesting of TSR Performance Rights is subject to:

Note 22. Share-based payments (continued)

- a relative TSR measure, reflecting Shareholders' experience, tested over the performance period from 1 January 2023 to 30 June 2025 for both Tranches 1 and 2; and
- continued employment up to 1 July 2024 for Tranche 1 Performance Rights, and 1 July 2025 for Tranche 2 Performance Rights.

Broadly, TSR calculates the return Shareholders would earn if they held a notional number of Shares over a period of time. It measures the change in the Company's Share price, together with the value of dividends during the relevant period. Relative TSR compares the Company's TSR performance against the TSR of a bespoke peer group of companies.

The percentage of Performance Rights that vest, if any, will be determined with reference to the Company's TSR in comparison to that of companies in the bespoke peer group over the performance period (from 1 January 2023 to 30 June 2025).

	Number of rights	Weighted average exercise price
Outstanding at the beginning of the financial half-year	-	$0.00
Granted	28,874	$0.00
Forfeited	-	$0.00
Exercised	-	$0.00
Expired	-	$0.00
Outstanding at the end of the financial half-year	28,874	

The weighted average remaining contractual life of TSR performance rights outstanding at the end of the financial half-year was 1.92 years (2021: n/a)

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/08/2022	01/07/2024	$4.27	$0.00	-	-	-	$4.27
10/08/2022	01/08/2025	$3.91	$0.00	-	-	-	$3.91
14/10/2022	01/01/2023	$4.20	$0.00	-	-	-	$4.20
24/10/2022	22/11/2027	$3.02	$0.00	50.00%	-	3.60%	$2.20

Note 23. Events after the reporting period

On 31 January 2023, SiteMinder announced and embarked on a cost-out program, which is still in progress. The proposed pathway will ensure that SiteMinder has the ability to successfully deliver on its longer term growth objectives.

On 15 February 2023, SiteMinder announced that Michael Ford retired from his position as a Non-Executive Director effective from the close of business on 14 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Pat O'Sullivan
Chairman

Sankar Narayan
Managing Director and Chief Executive Officer

22 February 2023
Sydney

Deloitte.

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Independent Auditor's Review Report to the Members of SiteMinder Limited

Conclusion

We have reviewed the half-year financial report of SiteMinder Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 22 February 2023